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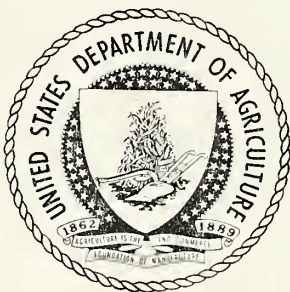
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3 CONTRACT FARMING AND VERTICAL INTEGRATION IN AGRICULTURE , + 3a

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A Report of
Extension and Research Activities
in the Land-Grant Colleges //

This report supersedes mimeograph release AEP-30, March 1958. It has been compiled from State extension replies to a request for information about the extent of vertical or horizontal integration and/or contract farming and extension or research activities related thereto. Information relating to the scale of operations and volume-cost relationships was included in the inquiry.

Division of Agricultural Economics
Programs, Federal Extension Service,
June 1958 // 50

AEP-105 (6-58)

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CONTRACT FARMING AND VERTICAL INTEGRATION IN AGRICULTURE

A Report of Extension and Research Activities in the Land-Grant Colleges

ALABAMA - Foy Helms, A. W. Jones

General Interest

Reaction to information obtained through correspondence and contacts with various State extension economists is that there is little basis for getting excited about the trends in contract farming....Some farmers have...for years been...producing under contract...Some feed concerns have stimulated a lot of discussion....Alabama is interested in possibilities.

There is considerable development in integration, particularly in the poultry industry.

Extension Activity

February 24th session of the monthly agricultural economics seminar (extension, research, and teaching) was devoted to the subject "Impact of Agri-Business Trends on the Land-Grant College." Questions considered included: (1) To what extent will these changes occur in Alabama? (2) What effects would such changes have on teaching, research and extension in Alabama? Ideas developed are expected to be of assistance to people in the State in assessing the status of integration and planning how the different divisions of the college may be of assistance to farmers and others.

Research

Some new research on hogs has just been started at the experiment station.

ARIZONA - Geo. W. Campbell, Jr.

General Interest

Vertical integration in cotton farming is extremely prevalent in Arizona. It is accomplished through financing operations of ginning companies. It also takes place by actual ownership or leasing of land by ginning and marketing organizations as well as through control of an individual crop through financing. Between 75 and 85 per cent of the cotton is produced under some conditions of vertical integration. Much of it is produced on land controlled by ginning and marketing companies with complete control of all phases of cotton production and marketing being vested in these companies. These operations nearly always involve extremely large acreages and intensive mechanization.

It is estimated that well over half of the commercial vegetables are produced under conditions of vertical integration. These operations are usually under the control of large companies that either own or lease the land on which the vegetables are grown and control all phases of production and marketing. This is particularly true of the lettuce

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ARIZONA - continued

industry where large operators lease land from individual farmers. In some cases these companies hire farmers to prepare the land for planting. In many cases, however, the land owner has no part in the production process. Vertical integration in the commercial vegetable industry in Arizona is increasing with more and more of the operations being under direct control of the "vegetable contractors."

About 20% of the dairymen contract with alfalfa growers for fields of alfalfa to be cut as green-chop. The dairymen usually furnish the equipment and labor for harvesting. Very little silage is contracted by dairymen. About 28% of the cattle feeders (by volume) contract for grain sorghums to be cut as silage. In most instances, however, silage is bought on a bid basis.

Research

In two recent publications on hay marketing and livestock feeding there were implications of vertical integration insofar as contracting for silage and green-chop are concerned. However, it was not dealt with specifically as such.

ARKANSAS - T. E. Atkinson

Extension Activity

Currently planned is a departmental seminar (research, teaching, and extension in Agricultural Economics and Rural Sociology) to consider the problem of integration and contract farming.

CALIFORNIA - Arthur Shultis, G. A. Carpenter

General Interest

More and more, farmers and farm organizations are discussing integration in agriculture...three interrelated words in peoples' minds are: "integration", "specification buying", "contract farming."

Increasingly aware of more contracting and specification production in California...row crop farmers particularly...

A cattle operation involving three ranches plans to put a feed lot on one of these ranches and finish exactly fifty steers per week to a choice grade at the weight of 1,000 pounds...must have some kind of contract in mind to be so specific. The cowherds on two of the ranches will perform Stage #1 - the production of weaner calves. These calves will be moved to the third ranch, which has irrigated pasture, to grow to the yearling feeder stage, at which time they will go into the feed lot, which will also be on that ranch. Their young calves will be somewhat seasonal, so they expect to buy about half of the animals they feed at certain times and at certain weights in order to meet their goal. This is real integration but within a single ranching company. This trend has been noticeable for several years - ranchers producing cattle and wanting to buy irrigated pasture ranches, or irrigated pasture men wanting to buy cattle ranches to raise their own calves.

CALIFORNIA - continued

Although not integration, here is an example of a rapid current trend in egg production in Alameda County. The farm advisor says that egg production is going rapidly to large-scale operations with egg factories involving 12,000 to 20,000 birds on two or three acres. Operators of these egg farms will buy their replacement pullets from nearby pullet starting farms, so one man can concentrate on egg production, with nothing to do but feed the birds and gather the eggs. Eggs will be packed directly into cases from the nests, cooled, and trucked to the new automatic egg handling plant of the Poultry Producers of Central California, a cooperative. This cooperative will do all the egg cleaning and grading and will put out the number of packs necessary to sell eggs on a graded basis, as it has long done already. This plant, however, is just getting under way, and is a new thing in egg handling. Mechanically and electronically it is so much more efficient and economical that all eggs in Northern California will be brought to this single plant for their packing and then shipped back to the various consuming centers all under refrigeration.

Extension Activity

The Extension staff has many requests for work in this area and is kept busy attending producer meetings.

1. Series of 8 regional outlook conferences.

General subject of integration in agriculture came up for considerable discussion.

Resulted in request for additional special meeting in Santa Clara County on trends toward integration...

a general meeting of producers of all types of commodities.

2. February 26, 3-county poultry school discussion on "Integration and the Poultry Outlook for 1958."
3. Chart materials prepared for regional outlook conferences (above) and mimeograph materials for distribution to farm advisors.
4. "The Cooperative as a Farm Business Tool," by G. A. Carpenter, discusses food marketing trends and vertical integration, was distributed to all farm advisors in the State.
5. Extension, Berkeley Bank for Cooperatives, and California Agricultural Council plan 6 to 8 regional meetings with directors and managers of farm cooperatives to discuss the overall topic of integration, to point up to co-op officials some of the trends...to stimulate thinking toward long range planning for co-ops to meet the economic changes that are affecting agriculture.

CALIFORNIA - continued

Publications

1. Economic Changes Affecting Agriculture since 1900 (1-page ditto).
2. Basic Changes Affecting U. S. Agriculture--1910-1940-1957 (1-page ditto).
(Both of these presented on big charts for discussion purposes at outlook conferences.)
- ✓ 3. Economic Briefs, February 6, 1958 -- What Are the Impacts of Technological Changes on Agriculture?
- ✓ 4. Economic Briefs, February 8, 1958 -- Factors To Be Considered by Producers in Marketing Their Products.
- ✓ 5. Economic Briefs, April 4, 1957 -- What's Happening in Food Marketing?
- ✓ 6. What Can Farmers Do About Integration? (3-page ditto), adapted from Farm Journal, February 1958.
- ✓ 7. The Cooperative as a Farm Business Tool, by G. A. Carpenter, November, 1957.
- ✓ 8. Integration of Grower-Processor Activities in the California Canning Tomato Industry, by Norman R. Collins, February 1957.
9. List of Questions for Discussion at District Economic Outlook Conferences. (Summarized from those submitted by county extension staffs, January 1958. 4pp.)
- ✓ 10. Membership Market Contracts of Agricultural Cooperatives in California, by W. F. Mueller & J. M. Tinley, Exp. Sta. Bul. 760, March 1958.
- ✓ 11. Grower Processor Integration in Fruit and Vegetable Marketing, by W. F. Mueller & Norman Collins, Journal Farm Economics, Vol. XXXIX #5, December 1957.

COLORADO - S. Avery Bice

General Interest

The topic is a live one and is coming in for considerable discussion.

Extension Activity

No organized extension program. The Indiana circular "Vertical Integration in Agriculture," was distributed to county agents to improve their literacy.

CONNECTICUT - P. L. Putnam

Extension Activity

The Extension Economics papers mimeographed, listed below.

Research

Some research in poultry on economy of scale in processing plants.... factors affecting output, size, cost and location of large poultry processing plants in southern New England. Not published yet.

Publications

1. An Appraisal of Vertical Integration in the Broiler Industry, by S. K. Seaver, AFEA meeting, August 1957, Junaluska, N. C.
2. Contract Growing of Broilers, by T. C. Morrison

DELAWARE - W. T. McAllister

Extension Activity

The integration study subcommittee of the Northeast Farm Management Extension Committee has talked of preparing a discussion guide probably something like Purdue did recently.

The economist has prepared a paper on broiler integration, listed below.

Research

Delaware has no studies planned on integration or scale of operation and volume-cost relationships.

Publications

Broiler Integration -- Where Do You Fit In? by W. T. McAllister, paper presented at Poultry Short Course, University of Connecticut, October 9, 1956.

FLORIDA - E. W. Cake

General Interest

Florida citrus cooperatives are good examples of vertical integration, from planting and care of trees through sale to retailers, a development which has been under way for 50 years. There is only a small amount of broiler contracting as compared with Georgia and limited contract hog and cattle feeding.

Extension Activity

Extension economists are working on agricultural integration problems indirectly rather than directly, through assistance on marketing problems of producer groups. Extension works with citrus cooperatives

FLORIDA - continued

on special problems and through the State Co-op council, but not directly on integration or increases in extent of integration. The same holds true for vegetable cooperatives.

There is only a small amount of contract raising of broilers in Florida as compared to Georgia. Services have been offered in personal contacts with a few feed companies or dressing plants, and a study of 6 egg marketing cooperatives is underway. Similar contacts have been made with milk bargaining and trade associations, but not directly on integration problems.

Publications

Extension has a number of publications on scale of operation and costs and returns in citrus production, but not directly dealing with integration.

GEORGIA - Stephen J. Brannen, L. E. Farmer

No extension or research work specifically relating to economic integration.

IDAHO - V. D. Kennedy

General Interest

Contracts have been common for years in Idaho on specialized seed crops, canning crops, sugar beets, and now potatoes. The rapid development of potato processing in this State moved the amount of potato acreage under contract from 7.85% in 1956 to 12.33% in 1957.

Extension Activity

Efforts have been small. Mailed to entire staff the following:

"Vertical Integration in Agriculture," by Scoville and Mighell

Parts of E. F. Crouse article in September 1957 Better Farming Methods.

These were intended to alert staff to apparent trends. Some failed to understand term; many objected violently. One 2-page agent letter was reproduced for entire staff to stimulate further interest and discussion.

There are no extension or research projects directed at this trend.

ILLINOIS - C. B. Baker

General Interest

There is strong local interest in the problems that seem to give rise to integration and in what are the likely economic and social consequences of integration. We know comparatively little even of the magnitude of the integration already accomplished and the terms of contracts through which it has occurred. It is likely that any research extended into this area will start with an attempt to get information of this sort.

ILLINOIS - continued

Extension Activity

Materials prepared based on research publications are listed below.

Research

Relatively little research done that bears directly on integration. At present several graduate students are working on research problems that relate closely to integration in swine...

✓ R. A. Benton reported extent of integration in Illinois broiler production in "The Illinois Broiler Industry," 1955 doctoral dissertation.

✓ J. R. Roush did Ph.D. research and reported in a 1957 thesis.

There is a large and continuing research program in farm management, much of which could be construed to fall in this area.

No firm plans yet for expanding research.

Publications

1. Press release based on Roush's work in broiler integration. One p.
2. Press release based on comments by R. L. Coppersmith, extension economist, on integrated hog business. 2 pp.

INDIANA -

Publications

✓ Vertical Integration in Agriculture, Mimeo. EC-154, October 1957.

Press release announcing annual marketing clinic, February 19, 1958, which included forward look at new developments in marketing system. 2 pp.

IOWA - Francis A. Kutish

Extension Activity

It is planned to discuss integration in farming at District Extension Conferences this summer.

Research

Dr. Earl Heady has a couple of research projects started.

KANSAS - Paul W. Griffith

Extension Activity

Considerable thought has been given to developing an educational program

KANSAS - continued

dealing with vertical-horizontal integration and/or contract farming in agriculture and allied industries. To date, most of this work has been in discussion panels in State-wide meetings.

KENTUCKY - Aubrey J. Brown

Extension - Research

A committee composed of the associate director of the experiment station, head of the poultry section, and head of the department of agricultural economics is studying the situation with a view to making recommendations concerning future programs of work relating to integration or contract farming in Kentucky. In early March they met with representatives of the poultry trade to consider an expanded commercial egg program and how the educational group can best fit into such a possible development.

LOUISIANA - Reid M. Grigsby

Extension Activity

The extension staff has received many requests from individual producers regarding contract farming and integration and is doing the utmost to provide reliable information to assist them.

The problem is of great concern. For many years Extension has dealt with farm operators, owners and managers who made the decisions. This is no longer so under integration.

In meeting with integrated agricultural interests in the broiler and table egg industry and row-crop feed contractors for feed mills, the question was asked, "Where does extension education fit into your frame of reference?" The table egg industry has given suggestions as to how Extension can contribute to their program through consumer information and retail merchandising in outlets using their products. Contract egg production from cage layers is getting a foothold in two sections of the state. These contracts are complete in that replacement pullets, equipment, marketing and finance are concentrated in the hands of the large contractors. This activity is of too recent origin and lacks sufficient research at local levels for concerted Extension efforts at this time.

The Extension Service is now holding departmental meetings involving production and marketing research as it applies to agricultural integration and contract farming. The extension economist has prepared a discussion guide on integration. A paper on broiler integration in Louisiana has also been prepared in the agricultural economics department.

MAINE - A. C. Hazlett, Frank D. Reed

General Interest

Vertical integration has penetrated the potato industry in Maine only to a very limited degree. In the two cases where it has occurred it has

MAINE - continued

been the result of producers entering into the processing of potato food products. Undoubtedly this same pattern was followed in the development of the Maine Starch Industry.

Extension Activity

"Basic Assumptions and Projections for Agriculture," Maine Extension Service mimeograph release, 1957, contains a very limited statement regarding integration, page 1.

Publications

Maine's Timely Topics for Poultrymen:

If you want to stay in the poultry business....January 1957

One answer to integration....March 1957

Is there any future in this business? Aug.-Sept. 1957

Maine's Broiler Letter:

What is a good broiler contract? May 1957

Earnings of contract growers....February 1958

MARYLAND - George A. Stevens

General Interest

Recently contract feeding of pigs has started in Maryland and is expected to expand very rapidly.

Research

Dr. Sidney Ishee is considering some research on this subject.

Publications

Broiler Financing Arrangements in Maryland, by J. B. Horne and H. D. Smith, Exp. Sta. Bul. 460, April 1957.

MICHIGAN - L. L. Boger, Dale E. Butz

Extension Activity

The extension marketing leader presented a paper on integration at the Institute of Animal Agriculture, Purdue University, in April 1958.

Integration has been the topic of the 1957-58 winter regional meetings of cooperative board members and managers, and in discussions with the grain elevator trade.

The subject of the agricultural marketing clinic this year will be vertical integration.

Research

There are no active research projects pointed directly toward vertical-

MICHIGAN - continued

horizontal integration and/or contract farming.

Publications

What Is Integration, Its Causes and Its Current Status? by Robert C. Kramer, Professor, Agricultural Economics, paper delivered at National Institute of Animal Agriculture, April 21, 1958, Purdue University.

Are We Headed for Corporation Farming or Farming Controlled on a Contract Basis by Big Business? by Glenn Johnson, Professor, Agricultural Economics, A.Ec. 705, presented at Farmer's Week, Michigan Agricultural Experiment Station, January 1958.

Proceedings, 4th Annual Agricultural Marketing Clinic, Michigan State University, March 20, 1958, Ag Econ, Mimeo 723:

1. What is this integration business? by Richard Kohls, Professor of Marketing, Purdue.
2. How much - how far - how fast may integration develop, by Earl Crouse, Vice President, Doane Agricultural Service.
3. How integration will affect marketing firms, by John Davis, Director, Program in Agriculture and Business, Harvard University.

MINNESOTA - E. Fred Koller

Research being done is indicated by the titles of publications which include information on manufacturing costs, procurement practices, and similar titles in dairy areas.

MISSISSIPPI - Rupert Johnston, S. W. Box

General Interest

Vertical-horizontal integration and contract farming is expanding very fast in broiler and egg production with considerable interest in truck crops, beef cattle, and hog production.

Research

Some work in this area of research may start in near future.

MISSOURI - C. E. Klingner

General Interest

Inquiries and requests for assistance on this subject are increasing in number.

Extension Activity

Tom Day, extension poultry marketing specialist, has prepared a 1-page mimeograph discussion outline.

Several staff members are giving thought to the subject and some material should be available within the near future.

Publications

Integration by Tom Day, extension poultry marketing specialist, 1-page mimeograph outline.

MONTANA - John C. Bower

General Interest

Montana has little or no vertical integration ranging through production, processing, and marketing...Sugar beets are produced by contract between producer and factory but this has not changed in 30 years.

Extension Activity

Extension...has not stressed integration in its program...because it currently has little application in the State. It could have application in the future however, particularly in the livestock field.

Research

No research conducted specifically in this area. A few studies on the drawing board will give consideration to horizontal integration, but primarily within the marketing field.

NEBRASKA - Everett E. Peterson

Extension Activity

Within the next few months will publish some articles on this topic in monthly "Nebraska Farm and Ranch Economics," and in "Nebraska Farmer," and also will provide information to county agents.

Research

One of the research men is currently engaged in getting together some information on types of contractual arrangements and other developments along this line that are being introduced in Nebraska.

NEVADA - John Fischer

Many of us have been considering wading into the field with research projects.

NEW HAMPSHIRE - Silas B. Weeks

General Interest

Consider it one of the most important and most pressing in the whole area of changes in agriculture.

The real need is for a carefully developed overall appraisal of the implications in total vertical integration and the implications of such a system to various classes of individual producers, distributors and retailers.

Need to understand general nature and structure of vertical integration as an economic alternative and not as specific contracts related to a particular type of production.

This material has been fairly well covered in..Purdue release; needs some revision and expansion...but represents basic material needed by

NEW HAMPSHIRE - continued

extension workers, particularly at county levels.

Extension Activity

A good deal of informal discussion in the office.

The economist and sociologist attempted to treat it in one TV program, appraising it from economic standpoint and its consequences on individual and community relationships.

Repeated the program for University extension specialists; have a request to repeat with county personnel.

Tentative plan is to issue a memorandum for county workers and for farmers.

NEW JERSEY - Frank V. Beck

We are interested in integration, but our staff is not presently studying the problem.

NEW MEXICO - John O. Kling

Extension Activity

The farm management specialist made vertical integration the subject of his January 1958 letter to county agents, and enclosed the following: (1) copy of outline "Vertical Integration in Agriculture", presented by Scoville and Mighell, ARS, at FES-FCS seminar, Sept. 1957; and (2) "Contract Farming and Vertical Integration," address by Earl F. Crouse, Doane Agricultural Service, Inc., 29th annual meeting, National Council of Farmer Cooperatives, January 1958.

Research

A 3-year project is to begin July 1, 1958, entitled "Impact of Changing Marketing Techniques and Structures on the Organization and Management of Cotton, Produce and Supply Cooperatives and Associations in New Mexico." It will include a consideration of vertical integration among producers and marketing firms.

NEW YORK - C. A. Bratton

General Interest

Farmer cooperatives in New York are excellent examples of integration. The Dairymen's League is integrated from the farm to the retail outlet of milk. There has been considerable interest in the poultry industry.

Extension Activity

Integration has been discussed with some groups, but there has been little done in the way of formal meetings.

NORTH CAROLINA

Extension Activity

North Carolina Extension Service has not done too much in this area. The livestock marketing specialist is planning some work with packers.

Research

Marketing research in broilers and table eggs is oriented toward eventual investigation of economics of vertical-horizontal integration. The same economies can be achieved by contractual relations among firms, one example of which is contract farming. The nature and degree of the elements of economies of vertical-horizontal integration are subject to examination and measurement. The economies are combinations of elements such as economies of scale within the firms to be integrated.

The only ~~completed~~ research project directly related to this overall investigation is a study of economies of scale in broiler processing. A number of related projects are already underway or are planned. It is hoped that other States cooperating in the Regional Marketing Project will undertake projects that contribute to the total.

Publications

Vertical Integration in Agriculture--What it is and why it developed, by J. M. Curtis, Feb. 18, 1958, Bankers Credit Conference (mimeo.)

NORTH DAKOTA - H. W. Herbison

General Interest

There has been some emphasis on coordination of production and marketing (or integration) in other teaching areas here as elsewhere.

Integration isn't new to some farmers...What's new...and stirring up a discussion nest...are some of the "Contract-farming" connotations (real or imaginary) held by folks unduly excited by some of our popular press treatment of the integration concept. In some circles..some very fine people think the term "integration" synonymous with serfdom - peasantry - or peonage.

From our extension publication...people may have a clearer knowledge...

Extension Activity

Just coming off the press in February is "Vertical Integration in North Dakota Agriculture;" a general discussion type from which it is hoped people may have a clearer knowledge...Its contents are a version of materials discussed the past two years with other members of North Central Extension Farm Management Committee. Similar to Purdue publication.

Publication

Vertical Integration in North Dakota Agriculture, by H. W. Herbison, 1958

OHIO - Mervin G. Smith

Extension Activity

Integration comes up frequently as a topic of interest in extension meetings. Its meaning to farmers and to firms has been discussed in meetings with those groups. Both extension and research staff members have presented talks on vertical integration on various programs. The publication listed below is a joint publication which will be printed later.

Publication

Vertical Integration in Ohio -- A Leader's Discussion Guide, Mimeo Bul. AE-290, Extension and Experiment Station, March 1958.

OREGON - W. Y. Fowler

Extension-Research

The extension livestock marketing specialist has released a mimeograph on integration.

The head of the agricultural economics department has made several talks on integration and contract farming before such groups as the State Board of Agriculture, Grant County Stockgrower's Association, Lane County Livestock Association and the college agricultural staff at the annual conference.

Publications

Vertical Integration in the Livestock Industry, by W. Y. Fowler, extension livestock marketing specialist, Oregon State College, February 1958.

The Probable Impact of Market Organization on Oregon Growers, by Gerald E. Korzan, Dept. of Agricultural Economics, December 1957, annual meeting of Oregon State Horticultural Society.

PENNSYLVANIA - Wm. M. Carroll

Extension Activity

Most of the Pennsylvania Extension work in this field has been as part of the regular outlook and program projection activities. Attempting to keep farmers informed about developments in this field.

Publications

Industry Financing of Egg Production, by K. Birth and Fred Hughes, 11 pp. mimeo.

PENNSYLVANIA - continued

- ✓ The Pennsylvania Poultry Industry 1958...And Beyond, 1958 Outlook Poultry Marketing Information.

SOUTH CAROLINA - M. C. Rochester, J. E. Youngblood

General Interest

There is some interest in South Carolina in production of table eggs, turkeys, and hogs under the contract basis. Nothing has been published pertaining to vertical integration as it relates to these enterprises. The growers of hogs on a contract basis would be confined largely to growing out feeders in hog parlors.

A few news stories and magazine articles have appeared relating to vertical integration. The trend in the production of certain enterprises through this process will continue to increase in South Carolina. The poultry specialist advises that almost the entire production of broilers in the State is now done through the vertical integration process.

This phase of agricultural processes has not set itself up to any great extent except in broiler production. Is completely absent in turkey production...might be found to lesser degree in egg production. Principal lines of agriculture...not yet affected notably.

Extension Activity

Extension has not published any information on vertical integration relating to any specific commodities.

Research

Some research work has been done on methods of financing broilers; results published in Bulletin 415.

Some research assistance was given on Southern Cooperative Series listed below.

Publications

✓ Broiler Production in South Carolina with Emphasis on Financing, Miles and Minchew, Bul. 415, Jan. 1954.

Southern Cooperative Series Bulletins:

- ✓ No. 38 - Financing Production and Marketing of Broilers in the South, Part I: Dealer Phase, June 1954.

No. 44 - Financing Broiler Production by Banks and Production Credit Associations in the South, June 1955.

Dr. James Miles assisted on the above cooperative publications and on one

SOUTH CAROLINA - continued

- ✓ now in preparation, "The Financing, Production and Marketing of Broilers in the South, Part II: Producer Phase."

SOUTH DAKOTA - Lyle M. Bender

Extension Activity

Extension is in the process of pulling together some of the general information in an effort to bring about a better understanding of the meaning of integration and its application in South Dakota.

Research

No research is underway on vertical integration and no immediate work in this area will be started.

TENNESSEE - D. M. Thorpe

Research

No work underway that has reached reporting stage.

Pilot project is being developed this year on contract farming. Research department will develop contracts between a large food processing firm and landlords and tenants who produce strawberries for the firm. Records of inputs and outputs will be analyzed to determine net returns to contracting parties.

Next year the project will be expanded to include other processing firms and cooperatives within the State.

TEXAS - Alvin B. Wooten

An extension leaflet much along same line as research mentioned below is being prepared.

Research

Research staff in the Department of Agricultural Economics is compiling a handbook giving their thinking on vertical integration, what it is, where it might apply, and some of the problems and possible solutions.

UTAH - Leon Michaelson

Extension - Research

No projects at this time are designed to explore vertical-horizontal integration.

Extension has some information on bargaining associations of vegetable growers; they bargain with canners and contract with growers.

VERMONT - T. M. Adams

Research

Research division now has under way three studies on the scale of operations, one to be published in June 1958.

Publications

Have not issued in recent years any publications specifically reporting the results of vertical-horizontal integration studies.

VIRGINIA - D. Upton Livermore

Extension Activity

The subject as presented is covered in publications listed below. Some discussion in meetings has been used to explain the concept. A flannel board presentation on the general topic has been used.

X The Economic Analyst, February 1958, transmitted the full text of Earl Crouse's paper at Little Rock, entitled "Impact of Vertical Integration on the Marketing System."

✓ The Economic Analyst, October 1957, includes a statement from a radio talk by James Simpson, entitled "Vertical Integration in Agriculture."

Research

Broiler financing methods bulletins, listed below.

Publications

↓ Spring Outlook--1958, dairy section by M. C. Conner.

✓ Peep and Moo - series of articles by Dr. H. M. Love, in March, April and July 1957 issues.

✓ Broiler Growers--Which Way? by H. M. Love, Virginia Farm Economics, August 1957.

Broiler Financing Methods in Virginia, Exp. Sta. Bul. 470, Oct. 1954.

WASHINGTON - Arthur J. Cagle

Extension Activity

Integration has been discussed on several occasions, particularly at farm business meetings this winter. Some others who have discussed this on several occasions in this State are Mr. Henry Beernink, manager of the Washington Farmer Cooperative Association, and Dr. G. B. Wood, Chairman of the Department of Agricultural Economics, Oregon State College.

WEST VIRGINIA - Kenneth P. Brundage

General Interest

Broiler activities are practically all contracted or grown under corporate control. There are some beef steers fed out on contract in a few areas. Situations of fairly long standing, understood by those involved. For this reason West Virginia has not felt the concern that has been displayed in Virginia or in New England.

WISCONSIN - Marvin A. Schaars

Extension and Research

Prof. W. F. Mueller has given considerable thought and study to integration in the marketing of agricultural products and has given a number of addresses on general subject of coordination and consolidation in the marketing field.

Papers presented by Prof. Mueller are:

1. Dairy Cooperatives In A World of Bigness, talk Oct. 26, 1957, Joint Annual Convention of Iowa Creamery Operators' Association, Iowa Creameries Association, Iowa Milk Driers' Association, and Iowa Milk Producers' Federation, Waterloo.
- ✓ 2. The Survival Growth and Future of Supply Cooperatives, talk Dec. 4, 1957, Annual Meeting of the Consumers Cooperative Association, Kansas City, Mo.
- ✓ 3. Vertical Integration Possibilities for Agricultural Cooperatives, paper delivered at joint annual meeting of American Marketing Association and American Farm Economic Association, Philadelphia, Dec. 29, 1957.

WYOMING - Andrew Vanvig

Extension Activity

The only extension release was a recap of a federal release.

HAWAII - C. W. Peters

General Interest

Integration is far advanced in our sugar and pineapple industries but not too much has developed along this line in diversified agriculture. The local dairy industry on Oahu might be an exception.

The University of Hawaii has done no work in this field and no publications have been issued.

Research and extension will not become active on the integration in farming issue in the immediate future.

